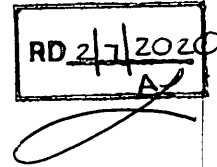


ML:MWK/ECS
F. # 2019R01536



UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

-----X

UNITED STATES OF AMERICA

I N F O R M A T I O N

- against -

Cr. No. _____
(T. 26, U.S.C., § 7202; T. 18, U.S.C.,
§§ 3551 et seq.)

SERGEI DENKO,

Defendant.

-----X

THE UNITED STATES ATTORNEY CHARGES:

I N T R O D U C T I O N

At all times relevant to this Information, unless otherwise indicated:

1. The defendant SERGEI DENKO was the owner and operator of Denko Mechanical, Inc. and Independent Mechanical, Inc. (collectively, the “Denko Companies”), New York corporations with principal places of business in Queens, New York. The Denko Companies were contracting companies specializing in plumbing work.

2. Pursuant to Title 26 of the United States Code, employers, including the Denko Companies, had a duty to collect, truthfully account for and pay over to the Internal Revenue Service (“IRS”) federal income taxes and Federal Insurance Contributions Act (“FICA”) taxes on behalf of their employees, and to file accurate Employer’s Quarterly Federal Tax Returns, IRS Form 941 (“Form 941”). The Denko Companies were also required to pay the employer’s matching share of Social Security and Medicare taxes due and owing to the IRS. As the owner and operator of the Denko Companies, the defendant

SERGEI DENKO had the responsibility to collect, truthfully account for and pay over FICA and federal income taxes, and to file accurate Forms 941 on behalf of the Denko Companies.

3. In or about and between 2010 and 2014, both dates being approximate and inclusive, the defendant SERGEI DENKO received checks as payment for services provided by Denko Mechanical, Inc. During that period, DENKO diverted and cashed approximately \$4,574,270 of such checks at a check-cashing business, which cash he used to pay employees of Denko Mechanical, Inc. DENKO concealed these cash payments from the accountant who prepared the Forms 941 for Denko Mechanical, Inc. As a result, DENKO willfully signed and filed false Forms 941 for the first quarter of 2010 through the third quarter of 2014 that failed to truthfully account for approximately \$638,508 in FICA taxes, including the employer share of approximately \$319,254 and the employee share of approximately \$319,254.

4. In or about and between 2013 and 2014, both dates being approximate and inclusive, the defendant SERGEI DENKO received checks as payment for services provided by the Independent Mechanical, Inc. During that period, DENKO diverted and cashed approximately \$631,728 of such checks at a check-cashing business, which cash he used to pay employees of Independent Mechanical, Inc. DENKO concealed these cash payments from the accountant who prepared the Forms 941 for Independent Mechanical, Inc. As a result, DENKO willfully signed and filed false Forms 941 for the first quarter of 2013 through the fourth quarter of 2014 that failed to truthfully account for approximately \$93,954 in FICA taxes, including the employer share of approximately \$46,977 and the employee share of approximately \$46,977.

5. In total, the defendant SERGEI DENKO diverted and cashed approximately \$5,205,999 of checks received as payments for services provided by the Denko Companies, and as a result, DENKO failed to truthfully account for approximately \$732,462 in FICA taxes, including the employer share of approximately \$366,231 and the employee share of approximately \$366,231.


WILLFUL FAILURE TO COLLECT AND PAY OVER EMPLOYMENT TAX

6. The allegations contained in paragraphs one through three are realleged and incorporated as if fully set forth in this paragraph.

7. On or about January 30, 2014, within the Eastern District of New York and elsewhere, the defendant SERGEI DENKO, being the owner and operator of Denko Mechanical, Inc., and thereby having the duty to collect, truthfully account for and pay over to the IRS federal income taxes and FICA taxes from the total taxable wages of his employees, did knowingly and willfully fail to collect, truthfully account for and pay over to the IRS federal income taxes and FICA taxes due and owing to the United States on behalf of Denko Mechanical, Inc. for the fourth quarter of 2013.

(Title 26, United States Code, Section 7202; Title 18, United States Code, Sections 3551 et seq.)

RICHARD P. DONOGHUE
UNITED STATES ATTORNEY
EASTERN DISTRICT OF NEW YORK

BY: 
ACTING UNITED STATES ATTORNEY,
PURSUANT TO 28 C.F.R. § 136

F.#: 2019R01536
FORM DBD-34
JUN. 85

No.

UNITED STATES DISTRICT COURT

EASTERN *District of* NEW YORK

CRIMINAL DIVISION

THE UNITED STATES OF AMERICA

vs.

SERGEI DENKO,

Defendant.

INFORMATION

(T. 26, U.S.C., § 7202; T. 18, U.S.C., §§ 3551 *et seq.*)

A true bill.

Foreperson

Filed in open court this ----- *day,*

of ----- *A.D. 20* -----

Clerk

Bail, \$ -----

Eric C. Schmale, Tax Division Trial Attorney (202)514-5614